

Senate Study Bill 3168 - Introduced

SENATE FILE _____
BY (PROPOSED COMMITTEE ON
HUMAN RESOURCES BILL BY
CHAIRPERSON SEGEBART)

A BILL FOR

1 An Act relating to educational assistance programs administered
2 by the college student aid commission for certain
3 physicians, nurses, physician assistants, advanced
4 registered nurse practitioners, doctors of nursing practice,
5 and nurse educators.
6 BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF IOWA:

1 Section 1. Section 261.113, subsection 5, paragraph a, Code
2 2018, is amended to read as follows:

3 a. (1) The amount of loan repayment an eligible student who
4 enters into an agreement pursuant to subsection 3 prior to July
5 1, 2018, shall receive if in compliance with obligations under
6 the agreement shall not exceed forty thousand dollars annually
7 for an eligible loan. Payments under this section and pursuant
8 to agreements entered into prior to July 1, 2018, may be made
9 for each year of eligible practice during a period of five
10 consecutive years and shall not exceed a total of two hundred
11 thousand dollars.

12 (2) The amount of loan repayment an eligible student who
13 enters into an agreement pursuant to subsection 3 on or after
14 July 1, 2018, shall receive if in compliance with obligations
15 under the agreement shall not exceed twenty thousand dollars
16 annually for an eligible loan. Payments under this section and
17 pursuant to agreements entered into on or after July 1, 2018,
18 may be made for each year of eligible practice during a period
19 of five consecutive years and shall not exceed a total of one
20 hundred thousand dollars.

21 Sec. 2. Section 261.114, subsection 3, unnumbered paragraph
22 1, Code 2018, is amended to read as follows:

23 A program agreement shall be entered into by an eligible
24 student and the commission when the eligible student begins
25 the final year of study in an academic program leading to
26 eligibility for licensure as a nurse practitioner or physician
27 assistant. The commission shall not enter into any new
28 program agreement under this section on or after July 1, 2018.
29 Under the agreement, to receive loan repayments pursuant to
30 subsection 5, an eligible student shall agree to and shall
31 fulfill all of the following requirements:

32 Sec. 3. Section 261.114, subsection 8, Code 2018, is amended
33 by striking the subsection.

34 Sec. 4. Section 261.114, subsection 9, Code 2018, is amended
35 to read as follows:

1 9. ~~Postponement and satisfaction~~ Satisfaction of service
2 ~~obligation.~~

3 ~~a.~~ The obligation to engage in practice in accordance with
4 ~~subsection 3~~ shall be postponed for the following purposes:

5 ~~(1) Active duty status in the armed forces, the armed forces~~
6 ~~military reserve, or the national guard.~~

7 ~~(2) Service in volunteers in service to America.~~

8 ~~(3) Service in the federal peace corps.~~

9 ~~(4) A period of service commitment to the United States~~
10 ~~public health service commissioned corps.~~

11 ~~(5) A period of religious missionary work conducted by an~~
12 ~~organization exempt from federal income taxation pursuant to~~
13 ~~section 501(c)(3) of the Internal Revenue Code.~~

14 ~~(6) Any period of temporary medical incapacity during which~~
15 ~~the person obligated is unable, due to a medical condition, to~~
16 ~~engage in full-time practice as required under subsection 3.~~

17 ~~b.~~ Except for a postponement under paragraph "a",
18 ~~subparagraph (6), an obligation to engage in practice under an~~
19 ~~agreement entered into pursuant to subsection 3, shall not be~~
20 ~~postponed for more than two years from the time the full-time~~
21 ~~practice was to have commenced under the agreement.~~

22 ~~c.~~ a. An obligation to engage in full-time practice under
23 an agreement entered into pursuant to subsection 3 shall be
24 considered satisfied when any of the following conditions are
25 met:

26 (1) The terms of the agreement are completed.

27 (2) The person who entered into the agreement dies.

28 (3) The person who entered into the agreement, due to a
29 permanent disability, is unable to practice as an advanced
30 registered nurse practitioner or physician assistant.

31 ~~d.~~ b. If a loan repayment recipient fails to fulfill
32 the obligation to engage in practice in accordance with
33 subsection 3, the recipient shall be subject to repayment to
34 the commission of the loan amount plus interest as specified
35 by rule. A loan repayment recipient who fails to meet the

1 requirements of the obligation to engage in practice in
2 accordance with [subsection 3](#) may also be subject to repayment
3 of moneys advanced by the service commitment area as provided
4 in any agreement with the service commitment area.

5 Sec. 5. Section 261.114, subsection 10, Code 2018, is
6 amended to read as follows:

7 10. *Trust fund established.* A rural Iowa advanced
8 registered nurse practitioner and physician assistant trust
9 fund is created in the state treasury as a separate fund under
10 the control of the commission. The commission shall remit all
11 repayments made pursuant to [this section](#) to the rural Iowa
12 advanced registered nurse practitioner and physician assistant
13 trust fund. All moneys deposited or paid into the trust fund
14 are appropriated and made available to the commission to be
15 used for meeting the requirements of [this section](#). Moneys in
16 the fund up to the total amount that an eligible student may
17 receive for an eligible loan in accordance with [this section](#)
18 and upon fulfilling the requirements of [subsection 3](#) shall be
19 considered encumbered for the duration of the agreement entered
20 into pursuant to [subsection 3](#). Notwithstanding [section 8.33](#),
21 any balance in the fund on June 30 of each fiscal year shall not
22 revert to the general fund of the state, but shall be available
23 for purposes of [this section](#) in subsequent fiscal years.
24 Notwithstanding section 8.33, any balance in the fund on June
25 30, 2023, shall not revert to the general fund of the state but
26 shall be transferred to the health care loan repayment fund
27 established pursuant to section 261.116 to be used for purposes
28 of the health care loan repayment program.

29 Sec. 6. Section 261.114, Code 2018, is amended by adding the
30 following new subsection:

31 NEW SUBSECTION. 10A. This section is repealed July 1, 2023.

32 Sec. 7. Section 261.116, Code 2018, is amended to read as
33 follows:

34 **261.116 ~~Registered nurse and nurse educator~~ Health care loan**
35 **~~forgiveness~~ repayment program.**

1 1. Definitions. For purposes of this section, unless the
2 context otherwise requires:

3 a. "Advanced registered nurse practitioner" means a person
4 licensed as a registered nurse under chapter 152 or 152E who
5 is licensed by the board of nursing as an advanced registered
6 nurse practitioner.

7 b. "Nurse educator" means a registered nurse who holds
8 a master's degree or doctorate degree and is employed by a
9 community college, an accredited private institution, or an
10 institution of higher education governed by the state board
11 of regents as a faculty member to teach nursing at a nursing
12 education program approved by the board of nursing pursuant to
13 section 152.5.

14 c. "Physician assistant" means a person licensed as a
15 physician assistant under chapter 148C.

16 d. "Qualified student loan" means a loan that was made,
17 insured, or guaranteed under Tit. IV of the federal Higher
18 Education Act of 1965, as amended, or under Tit. VII or VIII
19 of the federal Public Health Service Act, as amended, directly
20 to the borrower for attendance at an approved postsecondary
21 educational institution.

22 e. "Service commitment area" means a city in Iowa with a
23 population of less than twenty-six thousand that is located
24 more than fifty miles from a city with a population of fifty
25 thousand or more.

26 2. Program established. ~~A registered nurse and nurse~~
27 ~~educator~~ health care loan forgiveness repayment program
28 is established to be administered by the commission. ~~The~~
29 ~~program shall consist of loan forgiveness for eligible~~
30 ~~federally guaranteed for purposes of repaying the qualified~~
31 ~~student loans for of~~ registered nurses, advanced registered
32 nurse practitioners, doctors of nursing practice, physician
33 assistants, and nurse educators who practice full-time in a
34 service commitment area or teach in this state, as appropriate,
35 and who are selected for the program in accordance with this

1 section. For purposes of ~~this section~~, unless the context
2 otherwise requires, "~~nurse educator~~" means a registered nurse
3 who holds a master's degree or doctorate degree and is employed
4 as a faculty member who teaches nursing as provided in 655
5 IAC 2.6(152) at a community college, an accredited private
6 institution, or an institution of higher education governed by
7 the state board of regents. An applicant who is a member of
8 the Iowa national guard is exempt from the service commitment
9 area requirement, but shall submit an affidavit verifying the
10 applicant is practicing full-time in this state.

11 ~~2.~~ 3. Application requirements. Each applicant for loan
12 ~~forgiveness repayment~~ shall, in accordance with the rules of
13 the commission, do the following:

14 a. Complete and file an application for ~~registered nurse~~
15 ~~or nurse educator~~ loan ~~forgiveness repayment~~. The individual
16 shall be responsible for the prompt submission of any
17 information required by the commission.

18 b. File a new application and submit information as
19 required by the commission annually on the basis of which
20 the applicant's eligibility for the renewed loan ~~forgiveness~~
21 repayment will be evaluated and determined.

22 c. Complete and return, on a form approved by the
23 commission, an affidavit of practice verifying that the
24 applicant is a registered nurse, an advanced registered nurse
25 practitioner, a doctor of nursing practice, or a physician
26 assistant who is practicing full-time in a service commitment
27 area in this state or is a nurse educator teaching at a
28 ~~community college, an accredited private institution, or an~~
29 ~~institution of higher learning governed by the state board of~~
30 ~~regents who teaches full-time in this state.~~ If practice in a
31 service commitment area is required as a condition of receiving
32 loan repayment, the affidavit shall specify the service
33 commitment area in which the applicant is practicing full-time.

34 ~~3.~~ 4. Loan repayment amounts.

35 a. The annual amount of ~~registered nurse~~ loan ~~forgiveness~~

1 ~~for a registered nurse who completes a course of study, which~~
2 ~~leads to a baccalaureate or associate degree of nursing,~~
3 ~~diploma in nursing, or a graduate or equivalent degree in~~
4 ~~nursing, and who practices in this state, repayment provided to~~
5 ~~a recipient under this section shall not exceed the resident~~
6 ~~tuition rate established for institutions of higher learning~~
7 ~~governed by the state board of regents for the first year~~
8 ~~following the registered nurse's graduation from a nursing~~
9 ~~education program approved by the board of nursing pursuant to~~
10 ~~section 152.5 six thousand dollars, or twenty percent of the~~
11 ~~registered nurse's total federally guaranteed Stafford loan~~
12 ~~amount under the federal family education loan program or the~~
13 ~~federal direct loan program, including principal and interest~~
14 ~~recipient's total qualified student loan, whichever amount is~~
15 ~~less. A registered nurse shall be recipient is eligible for~~
16 ~~the loan forgiveness repayment program for not more than five~~
17 ~~consecutive years.~~

18 ~~b. The annual amount of nurse educator loan forgiveness~~
19 ~~shall not exceed the resident tuition rate established for~~
20 ~~institutions of higher learning governed by the state board~~
21 ~~of regents for the first year following the nurse educator's~~
22 ~~graduation from an advanced formal academic nursing education~~
23 ~~program approved by the board of nursing pursuant to section~~
24 ~~152.5, or twenty percent of the nurse educator's total~~
25 ~~federally guaranteed Stafford loan amount under the federal~~
26 ~~family education loan program or the federal direct loan~~
27 ~~program, including principal and interest, whichever amount~~
28 ~~is less. A nurse educator shall be eligible for the loan~~
29 ~~forgiveness program for not more than five consecutive years.~~

30 ~~4.~~ 5. Selection criteria. The commission shall establish
31 by rule the evaluation criteria to be used in evaluating
32 applications submitted under this section. Priority shall be
33 given to applicants who are residents of Iowa and, if requested
34 by the adjutant general, to applicants who are members of the
35 Iowa national guard.

1 6. Health care loan repayment fund. A registered nurse and
2 nurse educator health care loan ~~forgiveness~~ repayment fund is
3 created for deposit of moneys appropriated to or received by
4 the commission for use under the program. Notwithstanding
5 section 8.33, moneys deposited in the health care loan
6 repayment fund shall not revert to any fund of the state
7 at the end of any fiscal year but shall remain in the loan
8 ~~forgiveness~~ repayment fund and be continuously available for
9 loan ~~forgiveness~~ repayment under the program. Notwithstanding
10 section 12C.7, subsection 2, interest or earnings on moneys
11 deposited in the health care loan fund shall be credited to the
12 fund.

13 5. 7. Report. The commission shall submit in a report
14 to the general assembly by January 1, annually, the number of
15 individuals who received loan ~~forgiveness~~ repayment pursuant to
16 this section, where the participants practiced or taught, the
17 amount paid to each program participant, and other information
18 identified by the commission as indicators of outcomes ~~from~~ of
19 the program.

20 ~~6.~~ 8. Rules. The commission shall adopt rules pursuant to
21 chapter 17A to administer [this section](#).

22 EXPLANATION

23 The inclusion of this explanation does not constitute agreement with
24 the explanation's substance by the members of the general assembly.

25 This bill combines and repeals certain educational
26 assistance programs administered by the college student aid
27 commission for the benefit of registered nurses, physician
28 assistants, advanced registered nurse practitioners, doctors of
29 nursing practice, and nurse educators. The bill reduces the
30 amount of loan repayment an individual may qualify for under
31 the rural Iowa primary care loan repayment program.

32 RURAL IOWA PRIMARY CARE LOAN REPAYMENT PROGRAM. Currently,
33 an individual who enters into an agreement is eligible to
34 receive up to \$40,000 annually or a total of \$200,000 in loan
35 repayment. The bill reduces these amounts by half for an

1 individual who enters into an agreement on or after July 1,
2 2018.

3 RURAL IOWA ADVANCED REGISTERED NURSE PRACTITIONER AND
4 PHYSICIAN ASSISTANT LOAN REPAYMENT PROGRAM — FUNDS. The bill
5 modifies the rural Iowa advanced registered nurse practitioner
6 and physician assistant loan repayment program by prohibiting
7 the commission from entering into any new program agreements on
8 or after July 1, 2018; striking a provision to allow a person
9 who entered into a program agreement to practice part-time;
10 striking language relating to the postponement of program
11 obligations; repealing the program July 1, 2023; and providing
12 for the transfer of any balance in the rural Iowa advanced
13 registered nurse practitioner and physician assistant trust
14 fund on June 30, 2023, to the health care loan repayment fund
15 established for purposes of the health care loan repayment
16 program.

17 COMBINED LOAN PROGRAM. The bill expands the current
18 registered nurse and nurse educator program by adding advanced
19 registered nurse practitioners, doctors of nursing practice,
20 and physician assistants to the program. The bill changes the
21 name of the program, and of the program fund, to the health
22 care loan repayment program and the health care loan repayment
23 fund.

24 To qualify for the program, applicants who are registered
25 nurses, advanced registered nurse practitioners, doctors of
26 nursing practice, or physician assistants must complete and
27 return an affidavit of practice verifying that the applicant is
28 or will be practicing full-time in a service commitment area
29 in this state or is a nurse educator teaching full-time in
30 this state. The affidavit must specify the service commitment
31 area in which the applicant will practice as a condition of
32 receiving loan repayment. Nurse educators are not required
33 to teach in service commitment areas. An applicant who is a
34 member of the Iowa national guard is exempt from the service
35 commitment area requirement, but must submit an affidavit

1 verifying the applicant is practicing in this state. The bill
2 defines a service commitment area as a city in Iowa with a
3 population of less than 26,000 that is located more than 50
4 miles from a city with a population of 50,000 or more.

5 Currently, the annual amount of loan repayment for a
6 registered nurse or nurse educator shall not exceed the
7 resident tuition rate established for regents universities or
8 20 percent of the registered nurse's total federally determined
9 loan amount, including principal and interest, whichever
10 amount is less. The bill limits the annual amount of loan
11 repayment to a program applicant to \$6,000 or 20 percent of
12 the recipient's total qualified student loan, whichever amount
13 is less. The bill defines qualified student loan as a loan
14 that was made, insured, or guaranteed under Tit. IV of the
15 federal Higher Education Act of 1965, as amended, or under
16 Tit. VII or VIII of the federal Public Health Service Act, as
17 amended, directly to the borrower for attendance at an approved
18 postsecondary educational institution.

19 The commission is required to establish by rule the criteria
20 to be used in evaluating applications, and to give highest
21 priority to applicants who are residents of Iowa, then, if
22 requested by the adjutant general, to applicants who are
23 members of the Iowa national guard.